

Copy transcript - Case 204

mailed to U. M. Rose, Atty. at Law,

Box 1345, Hobbs, N.M. - 2/14/50

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Case 204 (rehearing)

Order Granting Rehearing

Handed to Mr. Staley, 2-8-50

Order R-6

# MAGNOLIA PETROLEUM COMPANY

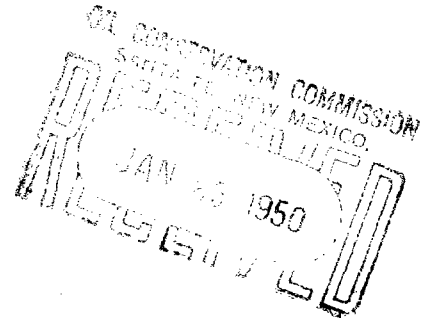
A SOCONY-VACUUM COMPANY

## LEGAL DEPARTMENT

DALLAS 1, TEXAS

WALACE HAWKINS  
GENERAL COUNSEL  
EARL A. BROWN  
ROY C. LEDBETTER  
RAYMOND M. MYERS  
CHAS. B. WALLACE  
ROSS MADOLE  
R. T. WILKINSON, JR.  
FLOYD B. PITTS  
SAM H. FIELD  
WILLIAM E. McKELLAR, JR.  
ASSISTANTS

January 23, 1950



Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Re: Establishment of  
Proration Units and  
Uniform Spacing of  
Wells in the Knowles  
Pool in Lea County,  
New Mexico, Case No.  
204, Order No. R-3.

Gentlemen:

We are advised that Amerada Petroleum Corporation has applied for a re-hearing in the above styled case. Magnolia Petroleum Company, being interested in this case, submits the attached Joinder in Amerada's application for re-hearing.

Yours very truly,

*William E. McKellar, Jr.*

William E. McKellar, Jr.

WEMcK/bcb

NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder, of the following public hearings to be held March 21, 1950, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Capitol (Hall of Representatives).

STATE OF NEW MEXICO TO:

The Northwestern New Mexico Nomenclature  
Committee, Mr. Paul Umbach, its Chairman,  
the Southeastern New Mexico Nomenclature  
Committee, Mr. Dudley Sands, its Chairman,  
all operators in the areas, and notice to  
the public:

Case 214

In the matter of hearing upon motion of the Oil Conservation Commission upon the recommendation of the Northwestern New Mexico Nomenclature Committee that;

- (1) Pool boundaries be set up around the following discovery well:  
Herbert Herff #1 Federal, NE NE Section 4, Twp. 27N, R. 8W.
- (2) The following area in San Juan County be designated the Largo Pool - Mesaverde:  
Twp. 27N, Rge. 8W: Section 3 & 4, All  
Twp. 28N, Rge. 8W: Section 33 & 34, All.
- (3) The following extension to the Fulcher Basin-Kutz Canyon Pool to be recommended for consideration:  
Twp. 28N, Rge. 10W: Section 11, W/2; Section 14, W/2.

Case 215

In the matter of hearing upon motion of the Oil Conservation Commission upon the recommendation of the Southeastern New Mexico Nomenclature Committee that:

- (1) A new pool be created to be designated as the "Saunders" pool to include S/2 Sec. 34, T 14S, R 33E and N/2 Sec. 3, T 15S, R 33E, for Permo-Pennsylvanian production.
- (2) A new pool be created to be designated as "House-San Andres" to include the E/2 Sec. 11 and W/2 Sec. 12, T 20S, R 38E, for San Andres production.
- (3) A new pool be created to be named "Hightower-Permo-Pennsylvanian" to include Secs. 22, 23, 26 & 27, T 12S, R 33E, for Permo Pennsylvanian oil and gas production.
- (4) A new pool be created to be named "Nadine" to include all Sec. 23,

T 19S, R 38E, for lower Drinkard production.

- (5) The Artesia pool be extended to include W/2 Sec. 25, T 18S, R 27E, for Grayburg production.
- (6) The Hare pool be extended to include NE/4 Sec. 21 & N/2 & SE/4 Sec. 22, T 21S, R 37E, for McKee production.
- (7) A new pool be created to be named "East Bough" to include SE/4 Sec. 7, SW/4 Sec. 8, NW/4 Sec. 17 & NE/4 Sec. 18, T 9S, R 36E, for Permo-Pennsylvanian production.
- (8) The Empire pool be extended to include S/2 Sec. 7, T 17S, R 28E, for Seven Rivers production.
- (9) The West Wilson pool be extended to include W/2 Sec. 15, T 21S, R 34E, for Seven Rivers production.
- (10) The Langlie-Mattix pool be extended to include W/2 Sec. 35, T 23S, R 37E, for Queen production.
- (11) A new pool be created to be named "South Leonard" to include all Sec. 24, T 26S, R 37E, for Queen production.
- (12) A new pool be created named "Teague-Ellenburger" to include S/2 Sec. 22 and N/2 Sec. 27, T 23S, R 37E, for Ellenburger production.

Case 216

In the matter of the application of Wilson Oil Company for an order granting it permission to drill an unorthodox location on its State B 6807 lease, located 2310 feet south of the north line and 1270 feet east of the west line (SW NW) Section 12, Twp. 21S, R 34E, N.M.P.M., in the Wilson pool of Lea County, New Mexico. 13

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on March 6, 1950.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*R. R. Spurrer*  
R. R. SPURRIER, SECRETARY

SEAL

all 2nd parts in 1 file CS  
+ notice to 1 pub

March 23, 1950

REGISTERED MAIL

Mr. Darrell W. Smith  
1118 North Big Spring Street  
Midland, Texas

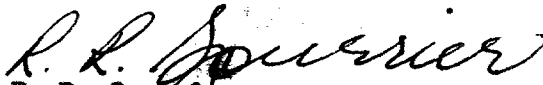
Dear Sir:

You will find enclosed, Notice of Publication of hearing to be held by the Oil Conservation Commission, at Santa Fe, New Mexico, on April 10, 1950.

The attached notice is sent to you in accordance with Rule 104, Section e, of the Rules and Regulations of the Commission.

Very truly yours,

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
R. R. Spurrier  
Secretary-Director

ERS:bw  
encl.

March 23, 1950

REGISTERED MAIL

Mr. C. P. Dimit  
Phillips Petroleum Company  
Bartlesville, Oklahoma

Dear Mr. Dimit:

You will find enclosed, Notice of Publication of hearing to be held by the Oil Conservation Commission, at Santa Fe, New Mexico, on April 10, 1950.

The attached notice is sent to you in accordance with Rule 104, Section e, of the Rules and Regulations of this Commission.

Very truly yours,

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

REESE AND McCORMICK

ATTORNEYS AT LAW

BUJAC BUILDING

CARLSBAD, NEW MEXICO

March 24, 1950

GEORGE L. REESE, JR.  
DON G. McCORMICK  
S. M. RUTHERFORD, III

Mr. R. R. Spurrier  
P. O. Box 871  
Santa Fe, New Mexico

Dear Dick:

I have prepared a rough draft of the order which we discussed in Case No. 204, relating to the Knowles Pool in Lea County. However, I find that I shall need a copy of the original application filed by Amerada Petroleum Corporation in order to complete my draft. Kindly send me a copy of the application at your convenience.

I shall be out of town most of next week, so it is likely that you will not receive the final draft of the order from me for about two weeks. Since the transcript will not be completed until then, I see no difficulty due to this delay.

Very truly yours,

  
Don G. McCormick

DGM:mmh

cc: Hon. George L. Graham  
State Land Office  
Santa Fe, New Mexico



REESE AND McCORMICK

GEORGE L. REESE, JR.  
DON G. McCORMICK  
S. M. RUTHERFORD, III

ATTORNEYS AT LAW  
BUJAC BUILDING  
CARLSBAD, NEW MEXICO

March 23, 1950

Hon. Phillip Dunleavy  
Office of the Attorney General  
Santa Fe, New Mexico

Re: Amerada Petroleum Cor-  
poration vs. New Mexico  
Oil Conservation Commis-  
sion

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Dear Phil:

Enclosed is the original plus six copies of Answer to be filed in the above matter now pending in the District Court of Lea County. If this Answer meets your approval will you kindly have it signed by Mr. Martinez, yourself and Mr. George L. Graham, then either you or George should mail copies to the attorneys shown in the Certificate of Service.

You will note that both George L. Graham and myself are designated as Special Assistant Attorneys General on the pleading. In my conversation with you yesterday, you stated that Mr. Graham could appear as attorney for the State Land Office, but since the State Land Office is not formally a party to this action, it would be better not to have Mr. Graham shown as attorney for the land office in the pleading.

Will you kindly acknowledge receipt of this pleading and advise when service is made. An extra copy is enclosed for your file as well as a copy for Mr. Graham's file.

Very truly yours,

  
Don G. McCormick

DGM:mnh  
Enclosures

cc: Mr. H. R. Spurrier, State Geologist, Santa Fe, N. Mex.

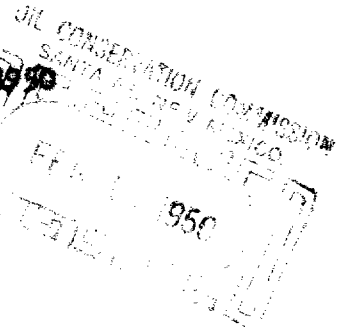
Hon. George L. Graham, New Mexico Oil Conservation  
Commission, Santa Fe, New Mexico

PHONE  
1014

U. M. ROSE  
ATTORNEY AT LAW  
111 NORTH DALMONT  
HOBBES, NEW MEXICO

P. O. BOX  
1345  
1945

February 13, 1950



Mr. J. O. Seth  
Seth and Montgomery  
Attorneys at Law  
Santa Fe, New Mexico

Dear Judge Seth:

Re: Case No. 204-New Mexico Oil Con-  
servation Commission, Knowles Pool

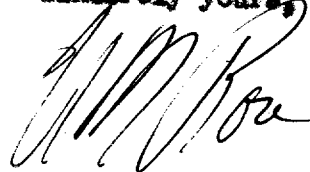
Enclosed herewith is a letter on the case above captioned, in the first paragraph of which I explained my delay in notifying Counsel of Record of the fact that I am participating in this case on behalf of a number of royalty owners in the Knowles Pool. Enclosed is a copy of the Petition which I prepared and which was filed by several royalty owners. I do not know all of the royalty owners who signed the same, as the petitioners never advised me the names of the signatories prior to filing the Petition.

Today I talked on the telephone with Mr. W. R. Page, Chief Counsel for Amerada, and he agreed to a postponement of the hearing which I requested because of a conflict in the schedule of our geologist. Mr. Page stated that he would write you a letter and ask you to notify the Commission to give the case another setting.

I should be able to attend the hearing at just about any time within the next month or two, but inasmuch as both Amerada's expert witnesses and our own will have to appear, I suggest that, if possible, you obtain from the Commission a tentative date, clear the same with your own witnesses, and allow me to clear it with mine and then have the date made definite after we have agreed on it.

Thanking you and with best regards, I am

Sincerely yours,

  
U. M. ROSE

UMR/gb  
Encls.

cc - Mr. Booth Kellough  
Guy Shepard  
R. R. Spurrier  
George A. Graham

OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

March 10, 1950

C  
Mr. George A. Graham  
Santa Fe, N. M.

O  
P  
Y  
RE: Case 204  
In the matter of the application of Amerada  
Petroleum Corporation for an order establishing  
production units and uniform spacing of wells for the  
common source of supply discovered in the  
W. W. Hamilton No. 1 well, NE 3/4 section 35,  
T.16 S, R.38 E, N.M.P.M., Knowles pool, Lea  
County, New Mexico

You are hereby notified that the record of the Commission hearing,  
held in Santa Fe, New Mexico, on February 21 in the matter of Case 204,  
was continued to March 21, 1950, 10:00 o'clock a.m., House of  
Representatives.

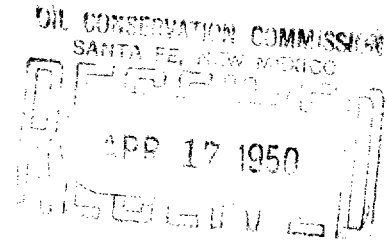
OIL CONSERVATION COMMISSION

*L. R. Gouvier*  
Secretary and Director

GEORGE L. REESE, JR.  
DON G. MCCORMICK  
S. M. RUTHERFORD, III

REESE AND MCCORMICK  
ATTORNEYS AT LAW  
BUJAC BUILDING  
CARLSBAD, NEW MEXICO

April 14, 1950



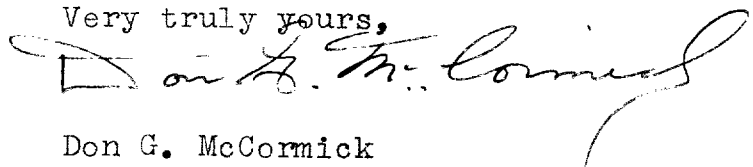
Oil Conservation Commission  
Santa Fe  
New Mexico

Attention: Beverly

Dear Beverly:

Please send me the original petition in case  
No. 204, being the application of Amerada  
Petroleum Company for a Spacing Order in the  
Knows Pool.

Very truly yours,

  
Don G. McCormick

DGM:mnh

*Sent  
4-17-50*

# CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

# WESTERN UNION

W. P. MARSHALL, PRESIDENT

1201

## SYMBOLS

DL = Day Letter  
NL = Night Letter  
LC = Deferred Cable  
NLT = Cable Night Letter  
Ship Radiogram

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A10 DB207

DMDA102 PD=MIDLAND TEX 21 1153A=

R R SPURRIER=

OIL CONSERVATION COMMISSION SANTA FE NMEX=

WITH REFERENCE TO HEARING OF CASE 204 THIS DATE THE HUMBLE OIL & REFINING COMPANY DOES NOT PRESENTLY OWN ACREAGE NEAR THE KNOWLES POOL BUT IS MOST INTERESTED IN THE SPACING OF DEEP WELLS IN NEW MEXICO STOP WE HAVE CRITICALLY REVIEWED GEOLOGICAL AND RESERVOIR DATA COVERING CURRENT DEVELOPMENT IN THE KNOWLES FIELD AND FIND NO EVIDENCE TO INDICATE THAT 80 ACRE SPACING WILL NOT EFFICIENTLY AND ECONOMICALLY DRAIN THIS POOL AND OTHER POOLS OF SIMILAR CHARACTER=

HUMBLE OIL & REFINING CO BY R S DEWEY=

1950 MAR 21 AM 11 13

PHONE  
1014

U. M. ROSE  
ATTORNEY AT LAW  
111 NORTH DALMONT  
HOBBS, NEW MEXICO

P. O. BOX  
~~350X~~  
1345

February 13, 1950

Mr. George A. Graham, Attorney  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Re: Case No. 204 - New Mexico Oil  
Conservation Commission -  
Knowles Pool

Dear Sir:

Enclosed herewith is a copy of my letter to Mr. J. O.  
Seth on the case above captioned, which is self-explanatory.

Thank you very much for the notice you mailed to me  
last week and the copy of the Rules of the Commission.

Looking forward to seeing you when I am in Santa Fe,  
I am

Very truly yours,



U. M. ROSE

UMR/gb  
Encl.

U. M. ROSE  
ATTORNEY AT LAW  
111 NORTH DALMONT  
HOBBS, NEW MEXICO

February 13, 1950

Mr. J. O. Seth  
% Seth and Montgomery  
Attorneys at Law  
Santa Fe, New Mexico

Re: Case No. 204-New Mexico Oil Con-  
servation Commission, Knowles Pool

Dear Judge Seth:

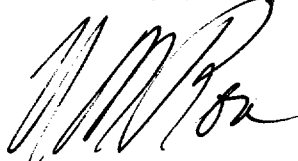
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Today I talked on the telephone with Mr. W. R. Page, Chief Counsel for Amerada, and he agreed to a postponement of the hearing which I requested because of a conflict in the schedule of our geologist. Mr. Page stated that he would write you a letter and ask you to notify the Commission to give the case another setting.

I should be able to attend the hearing at just about any time within the next month or two, but inasmuch as both Amerada's expert witnesses and our own will have to appear, I suggest that, if possible, you obtain from the Commission a tentative date, clear the same with your own witnesses, and allow me to clear it with mine and then have the date made definite after we have agreed on it.

Thanking you and with best regards, I am

Sincerely yours,



U. M. ROSE

UMR/gb  
Encls.

cc - Mr. Booth Kellough  
Guy Shepard  
R. R. Spurrier  
George A. Graham

NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO TO:

Amerada Petroleum Corporation  
and all other interested parties:

Notice is hereby given that a hearing will be held before the Oil Conservation Commission at Santa Fe, New Mexico, in the Office of the Oil Conservation Commission on February 21, 1950, commencing at 10:00 a.m., in


Case No. 204

In the matter of the application of Amerada Petroleum Corporation for the establishment of proration units and uniform spacing of wells in the Knowles Pool in Lea County, New Mexico.

This being a rehearing granted on application of Amerada Petroleum Corporation.

Given under the seal of the Oil Conservation Commission at Santa Fe, New Mexico, on February 2, 1950.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

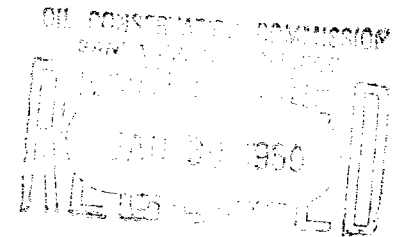
  
R. R. SPURRIER, SECRETARY



SETH AND MONTGOMERY  
ATTORNEYS AND COUNSELORS AT LAW  
III SAN FRANCISCO ST.  
SANTA FE, NEW MEXICO

J. O. SETH  
A. K. MONTGOMERY  
OLIVER SETH  
Wm. FEDERICI

January 26, 1950



OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

Gentlemen:

I enclose herewith in triplicate Application for Rehearing in Case No. 204, entitled: "In the Matter of the Application of Amerada Petroleum Corporation for the Establishment of Proration Units and Uniform Spacing of Wells in the Knowles Pool in Lea County, New Mexico."

I also enclose in triplicate Memorandum Brief in Support of Application for Rehearing.

The other operators in the Knowles Pool, that is the Magnolia and Gulf, have already filed, or will file, instruments with the Commission joining in this application for rehearing.

Very truly yours,

A handwritten signature in cursive script, appearing to be "J. O. Seth".

JOS:f  
Encs.

February 2, 1950

SANTA FE NEW MEXICAN  
Santa Fe, New Mexico

Re: Case 204  
Notice of Publication

Gentlemen:

Please publish the enclosed notice once immediately. Please proof read the notice carefully and send a copy of the paper carrying such notice to this office.

UPON COMPLETION OF THE PUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment, please submit statement in duplicate and sign and return the enclosed voucher.

Very truly yours,

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. Spurrier  
Secretary-Director

RRS:bw  
encls.

February 2, 1950

HOBBS NEWS SUN

Hobbs, New Mexico

Re: Case 204  
Notice of Publication

Gentlemen:

Please publish the enclosed notice once immediately. Please proof read the notice carefully and send a copy of the paper carrying such notice to this office.

UPON COMPLETION OF THE PUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment, please submit statement in duplicate and sign and return the enclosed voucher.

Very truly yours,

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. Spurrier  
Secretary-Director

PRS:bw  
encls.

February 2, 1950

REGISTERED MAIL

Mr. Glenn Staley  
Lea County Operators Committee  
Drawer I  
Hobbs, New Mexico

Dear Mr. Staley:

Please find enclosed, copy of Notice of Publication, for the rehearing  
on Case 204.

Very truly yours,

R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

February 2, 1950

REGISTERED MAIL

Mr. J. O. Seth  
111 E. San Francisco Street  
Santa Fe, New Mexico

Dear Mr. Seth:

We enclose herewith, Notice of Publication in regard to the rehearing  
of Case No. 204, Order No. R-3.

Very truly yours,

R. R. Spurrier  
Secretary-Director

RRS:lw  
encl.

January 13, 1950

Mr. J. A. Seth  
111 E. San Francisco Street  
Santa Fe, New Mexico

Dear Mr. Seth:

We enclose herewith, signed copy of Order No. R-3, issued by the Oil Conservation Commission, on January 11, 1950, in connection with the hearing held at Santa Fe, New Mexico, on November 22, 1949.

Very truly yours,

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

February 7, 1950

Mr. J. O. Seth  
111 E. San Francisco Street  
Santa Fe, New Mexico

Dear Mr. Seth:

We enclose herewith, signed copy of Order No. B-6, issued by the Oil Conservation Commission, in connection with the rehearing to be held on February 21, 1950.

Very truly yours,

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

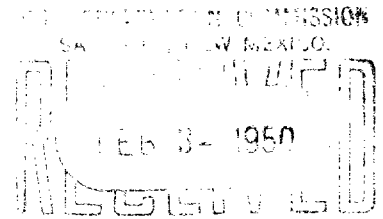
R. R. Spurrier  
Secretary-Director

RRS:bw  
encl.

**F. J. DANGLADE**

LOVINGTON, NEW MEXICO

31 January 1950



Re: Case No. 204  
Order No. R-3

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Gentlemen:

Enclosed herewith will be found my joinder in application for rehearing in the above case.

Yours very truly,

A handwritten signature in cursive script, appearing to read "F. J. Dangle".

FJD:gp

Enclosure



SETH AND MONTGOMERY  
ATTORNEYS AND COUNSELORS AT LAW  
III SAN FRANCISCO ST.  
SANTA FE, NEW MEXICO

J. O. SETH  
A. K. MONTGOMERY  
OLIVER SETH  
WM. FEDERICI

March 25, 1950

NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

Gentlemen:

Re: Case No. 204

Enclosed herewith is a letter from Mr. C. F. Bedford of the Stanolind Oil and Gas Company at Fort Worth concerning the hearing on the above case. It will be appreciated if this letter can be considered as part of the file in the case, and the Commission consider it in connection with the other matters presented.

Very truly yours,



OS:f  
Enc.

**STANOLIND OIL AND GAS COMPANY**

FAIR BUILDING

**FORT WORTH, TEXAS****C. F. BEDFORD**

DIVISION PRODUCTION SUPERINTENDENT

March 20, 1950

File: JBF-8904-175

Subject: Case No. 204, Orders R-3 and R-6,  
Rehearing Concerning 80-Acre Spacing  
Knowles Pool, Lea County, New Mexico.

State of New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

This will have reference to Case No. 204, Order R-3 and to Order R-6 which granted Amerada Petroleum Corporation rehearing on their application for the establishment of eighty (80) acre proration units in the Knowles Pool of Lea County.

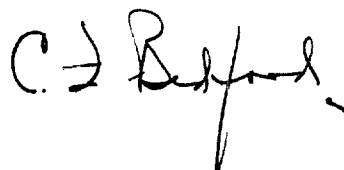
We wish to respectfully point out that, even though we have no material interest in any leases which may produce from the Knowles Pool, we have a keen interest in the outcome of this hearing.

Our rather wide experience obtained from a good many years in drilling for and producing crude oil qualifies us, we believe, to make the following statements concerning economics of drilling and producing deep wells.

The Knowles Pool is producing from the Devonian formation at an approximate depth of some 12,500 feet. Our records show that it costs approximately \$294,000 to \$300,000 to drill and equip a flowing oil well at a comparable depth in the Permian Basin and, further, that the over-all lifting costs on such a well are very high over the producing life of the well. An operator, at best, will do well to break even on such an operation and will in all probability lose money after deductions are made for royalty, State and Federal Taxes, and lifting costs. This, then, would not provide sufficient capital to enable the operator to invest in further exploration with the result that many deep reserves may never be explored and there would certainly be no incentive for deep well exploration. We believe that economics is certainly pertinent to waste in that the leaving of oil in the ground, due to the fact that the cost of drilling and producing same is economically prohibitive, is certainly waste.

We wish to respectfully call your attention to the Commission's past policy of recognizing economics in considering field rules. We refer specifically to your findings published under Order 779 issued July 27, 1948 and having reference to 80-acre proration units in the Crossroads Pool.

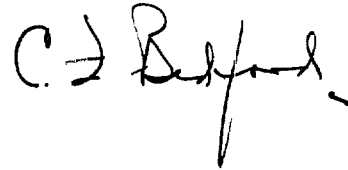
Very truly yours,



We believe that, in a reservoir with pay continuity, one well will do as efficient a job of draining 80 acres as will two wells and that the only practical difference in ultimate recovery lies in the time element. Under proration, the one well will recover essentially the same volume of oil, but will require twice the time to accomplish this as the two wells. The Commission, therefore, is faced only with the time element and not with the degree of ultimate recovery. We do, however, appreciate the position of the royalty owner. His economic picture may be such that he would prefer to obtain twice his present income for a shorter period of time. However, it is not reasonable to expect the operator to take an overall ultimate loss under these conditions.

We, therefore, respectfully request that you give serious consideration to all the factors involved when you act upon Case No. 204, as we feel that the outcome of this hearing is one of extreme importance.

Very truly yours,

A handwritten signature in dark ink, appearing to read "C. J. Bedford". The signature is written in a cursive style with a long, sweeping underline.

BRL/ek

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

# WESTERN UNION

W. P. MARSHALL, PRESIDENT

1220

SYMBOLS

DL = Day Letter

NL = Night Letter

LC = Deferred Cable

NLT = Cable Night Letter

Ship Radiogram

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

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FWBJA116 PD=BJ FTWORTH TEX 20 252P=

STATE OF NEWMEXICO OIL CONV COMM=

SANTA FE NMEX=

1950 MAR 20 PM 3 46

REFERENCE CASE #204 APPLICATION OF AMERADA PETROLEUM CORPORATION FOR ORDER ESTABLISHING PRORATION UNITS AND UNIFORM WELL SPACING FOR KNOWLES POOL. REGRET THE TEXAS COMPANY CAN NOT BE REPRESENTED AT HEARING ON MARCH 21, 1950 AND REQUEST THAT THIS WIRE BE INCLUDED IN RECORDS OF HEARING. THE TEXAS COMPANY HAS NO PRODUCTION IN THIS POOL AT PRESENT TIME BUT HAS APPROXIMATELY 2560 ACRES LEASED IMMEDIATELY NORTH AND NORTHWEST OF THE PRESENT PRODUCING AREA. WE ARE FAMILIAR WITH AMERADAS APPLICATION AND ARE OF THE OPINION THAT THE ADOPTION OF THEIR PROPOSAL WILL PREVENT THE DRILLING OF UNNECESSARY WELLS AND PROTECT CORRELATIVE RIGHTS

=THE TEXAS COMPANY C B WILLIAMS:

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO.  
MAR 20 1950

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

NEW MEXICO  
OIL CONSERVATION COMMISSION

GOVERNOR THOMAS J. MABRY  
CHAIRMAN  
LAND COMMISSIONER GUY SHEPARD  
MEMBER  
STATE GEOLOGIST R. R. SPURRIER  
SECRETARY AND DIRECTOR



P. O. BOX 871  
SANTA FE, NEW MEXICO

February 15, 1950

MEMORANDUM TO R. R. SPURRIER:

Telephone conversation with Mr. U. M. Rose, representative of the royalty owners in the Knowles pool, says that he has contacted Page of Amerada and it is agreeable to Amerada to continue Case 204, for the reason that both Amerada and Rose's geologists and engineers cannot be present on the 21st because of prior commitments elsewhere.

Oliver Seth also called this morning, requesting me to poll the Commission (you and Guy) to see whether or not it is agreeable to postpone the hearing to a more convenient date and to know if the Commission wishes Amerada to file a motion for an order of continuance to some certain date or whether or not he should appear on the 21st and make motion for continuance for the record at that time.

Will you call me as soon as you return and tell me whether or not it is agreeable with you to continue the hearing since both parties are agreeable. Guy has already given his approval subject, however, to your wishes and asks that the date be set by you and he will arrange his plans for any date you may wish.

George A. Graham

GAG:bw

February 15, 1950

MEMORANDUM TO R. E. STARRER:

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George A. Graham

GAC:bw

ILLEGIBLE

NOTICE FOR PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives public notice pursuant to law of a public hearing to be held November 22, 1949, beginning at 10:00 o'clock A.M. of that day in the City of Santa Fe, New Mexico, in the Hall of Representatives.

STATE OF NEW MEXICO TO:

All named parties in the following cases,  
and notice to the public:

Case 200

In the matter of the Application of Worth Drilling Company, Inc. for an order approving an unorthodox location for A. C. Taylor well No. 7-A, 10 ft. from the south line and 1320 ft. east of the west line (SW/4) of Section 12 in Township 18 south, Range 31 east, N.M.P.M., in North Shugart pool, Eddy County, New Mexico.

Case 201

In the matter of the Application of Danciger Oil and Refining Company for an order granting permission to drill twelve unorthodox ("five spot") locations on its Turner "A" and Turner "B" leases in Sections 17, 18, 19 and 20, in Township 17 south, Range 31 east, N.M.P.M., in the Premier pool, Eddy County, New Mexico.

Case 202

In the matter of the Application of Rowan Oil Company for an order reducing the daily allowable of the Brunson pool, Lea County, New Mexico, to 90 barrels per day per well for a period of six months, within which period of time through surveys and studies information may be had for the purpose of determining the maximum efficient rate of production of reservoir.

Case 203

In the matter of the Application of Santa Fe Pacific Railroad Company and Oil Development Company of Texas, for an order allowing an exception from Commission Order No. 779, of July 27, 1948, providing an 80 acre spacing pattern for wells in the Crossroads pool, Lea County, New Mexico.

(over)

Case 204

In the matter of the Application of Amerada Petroleum Corporation for an order establishing proration units and uniform spacing of wells for the common source of supply discovered in the W. W. Hamilton #1 well, NE SW Section 35, Township 16 south, Range 38 east, N.M.P.M., Knowles pool, Lea County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on November 7, 1949.

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION

R. R. SPURRIER, SECRETARY

SEAL



copy of  
Re hearing  
order  
handed

to G Staley  
2-7

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2

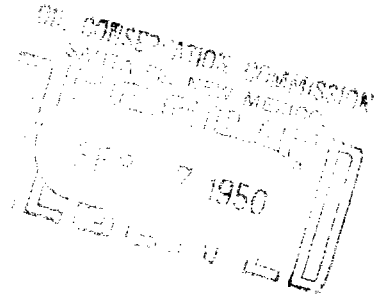
Signed copy<sup>2</sup> of order mailed  
to Glenn Staley - J-13-50/see case 203

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SETH AND MONTGOMERY  
ATTORNEYS AND COUNSELORS AT LAW  
III SAN FRANCISCO ST.  
SANTA FE, NEW MEXICO

J. O. SETH  
A. K. MONTGOMERY  
OLIVER SETH  
WM. FEDERICI

February 16, 1950



New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Attention of Mr. R. R. Spurrier

Re: Case No. 204 - Knowles' Pool

Gentlemen:

We have received some correspondence from Mr. U. M. Rose, of Hobbs, in connection with the above hearing, and understand he desires a continuance. This will advise you that the Petitioner on Rehearing has no objection to a continuance of the hearing. However, in view of the importance of the matter concerned, it would be appreciated if the matter could be heard by the Commission at a very early date following the 21st.

We understand that the request of Mr. Rose for continuance will be favorably received by the Commission and, consequently, will make arrangements to proceed with the hearing at a later date as advised by the Commission in place of the hearing on the 21st.

Very truly yours,

OS-mh

cc: Harry D. Page, Esq.  
Amerada Petroleum Corporation  
Beacon Building  
P. O. Box 2040  
Tulsa 2, Oklahoma

**AFFIDAVIT OF PUBLICATION**

State of New Mexico,

County of Lea

I, Robert L. Summer  
Publisher

Of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not in a supple-

ment thereof for a period of one time weeks

beginning with the issue dated February 6, 1950

and ending with the issue dated February 6, 1950

Robert L. Summer  
Publisher.

Sworn and subscribed to before

me this 7 day of February, 1950

Betty Bene  
Notary Public.

My commission expires January 25, 1953

(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

**LEGAL NOTICE**

Feb. 6, 1950

**NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COM.  
MISSION**

STATE OF NEW MEXICO TO:  
Amerada Petroleum Corporation  
and all other interested parties:

Notice is hereby given that a hearing will be held before the Oil Conservation Commission at Santa Fe, New Mexico, in the Office of the Oil Conservation Commission on February 21, 1950, commencing at 10:00 a. m., in Case No. 204

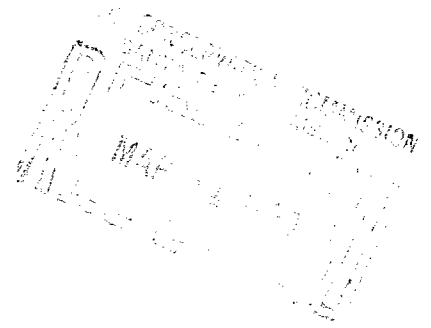
In the matter of the application of Amerada Petroleum Corporation for the establishment of proration units and uniform spacing of wells in the Knowles Pool in Lea County, New Mexico.

This being a rehearing granted on application of Amerada Petroleum Corporation.

Given under the seal of the Oil Conservation Commission at Santa Fe, New Mexico, on February 2, 1950.

**STATE OF NEW MEXICO  
OIL CONSERVATION COM.  
MISSION**

R. R. SPURRIER, Secretary.  
(SEAL)



312 North Sixth  
Albuquerque, New Mexico  
March 12, 1950

Mr. R. R. Spurrier  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Spurrier:

I have had an order for a copy of the transcript of Case No. 204.

I would appreciate it if you would lend me one of your copies for a few days and any letters or documents which were in evidence as Exhibits. This will save me a great deal of time to copy it rather than transcribe it again.

I will reimburse you for the expense of sending it.

Very truly yours,

*Margaret Powell*

(Mrs.) Margaret Powell

Sent  
3-14-50

GEORGE L. REESE, JR.  
DON G. MCCORMICK  
S. M. RUTHERFORD, III

REESE AND MCCORMICK  
ATTORNEYS AT LAW  
BUJAC BUILDING  
CARLSBAD, NEW MEXICO

March 24, 1950

Mr. R. R. Spurrier  
P. O. Box 871  
Santa Fe, New Mexico

Dear Dick:

I have prepared a rough draft of the order which we discussed in Case No. 204, relating to the Knowles Pool in Lea County. However, I find that I shall need a copy of the original application filed by Amerada Petroleum Corporation in order to complete my draft. Kindly send me a copy of the application at your convenience.

I shall be out of town most of next week, so it is likely that you will not receive the final draft of the order from me for about two weeks. Since the transcript will not be completed until then, I see no difficulty due to this delay.

Very truly yours,

  
Don G. McCormick

DGM:mnh

cc: Hon. George L. Graham  
State Land Office  
Santa Fe, New Mexico